



**Team DAKY Westville**

Deelan Vanmari (Team Leader)

Arman Yetwaru

Keenan Laas

Yashtil Kisoon

Board report to AMANGO GROUP MINING PLC

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Introduction:

Since the beginning of civilisation, people have used stones, ceramics and later on, metals mined close to the earth’s surface, for weapons, tools and useful items. Today the global mining industry, creator of trade and development of areas economically, are responsible for providing crucial materials for a variety of uses. The industry extract raw materials such as coal, iron and gold for use in jewellery, industries well as investments.

AMANGO GROUP MINING PLC or AMANGO is a mining and metals company. It operates on the London Stock Exchange and has secondary listings on the JSE. AMANGO operates in 45 different countries making it a diverse and large company. Once South Africa’s largest company and a world leading mining company, the company is still a major player in the mining market even though it’s not amongst the world’s top 10.

The company’s mission is to deliver the return to its global shareholders, to create a sustainable value. The group has 7 key pillars of Value to guild business operations. These are Safety and Health, Environment, Socio-Political, People, Production, Cost and Financial.

AMANGO group comprises of 7 subsidiaries, namely platinum limited, Diamonds Limited, Copper limited, Nickel limited, Niobium and Phosphates Limited, Iron Ore and manganese Limited and Coal Limited. Each subsidiary has its own head and management. Operating in the mining industry can be dangerous and risky. To minimise risk, the company holds a risk management strategy to prevent harm to the company.

Terms of Reference

This report identifies, prioritises and evaluates the issues facing AMANGO and offers appropriate recommendations.

**Prioritisation of issues:**

The issues were prioritised according to the urgency of the matters at hand, the potential losses and how the decisions will affect the company and how the issues affect the stakeholder relationships.

Strategic disposal in Brazil

With regard to the asset disposal programme by AMANGO. AMANGO are looking to dispose of the stake in Niobium and Phosphates Limited in Brazil. AMANGO have received a final offer from CMOC to purchase the business venture for 50 million dollars. The proceeds from the sale will go to pay off the net debt to achieve the targeted 10 billion dollars at the end of the year. However AMANGO has only 7 days to decide on the offer from CMOC

Operational risk and industrial action in Australia

The problem we are dealing with here is with the shutdown of our AMANGO copper mine based in Australia. It was shut down due to safety concerns caused by a geotechnical design flaw. We are now faced with the decision to keep the mine closed until the safety of the mine has been accessed, with the loss of US$250 000 per day, or to open the mine and put the safety of our miners at risk and have the possible collapse of the mine.

Strategic joint venture decision in Canada

AMANGO is looking to re-enter into Canada by re-opening one of its coal mines after the price of coal has increased after 6 months of being at an all-time low. AMANGO is however facing many political difficulties as the group “Idle No More” is threating to stop all further operations at the mine as AMANGO has not agreed to involve any Canadians into their joint venture with Cephas.

Managing divisional performance group-wide

AMANGO wish to re-evaluate their system on rewarding the subsidiary executives, as bonuses to the executives are based on the operating profits. The subsidiary executives are beginning to postpone their scheduled service tests for equipment, retrench viable workers from the mines and not record material financial transactions into the online accounting system.

Balance sheet de-leverage

AMANGO are planning to dispose of coal and iron subsidiaries in South Africa as they are worried of the low commodity price as well as the socio-economic development of the country. The PIC as well as other investors plan to offload shares on the market if AMANGO’s plans follow through. In an alternate proposal to, worried about the sale of the shares, AMANGO could rather unbundle a section of its property portfolio, with the sale of the property and full proceeds to pay down the net debt.

Corporate reconstruction and reorganisation

The AMANGO board need to pay down the net debt in line with the: Protect the Balance Sheet. The company are looking to sell some of the subsidiaries to reduce the net debt. AMANGO cannot decide on which subsidiaries to sell and how to assure the PIC about the strategic disposal.

Strategic Disposal in Brazil

AMANGO has received ratings downgrades and has decided to counter this by step up their asset disposal programme. AMANGO has considered to dispose of their stake in Niobium and Phosphate Limited in Brazil. This investment was marked for disposal in 2012/2013 and they have now received a final offer from CMOC for US$750 million. This initiative will help to reduce AMANGO’s goal net debt of US$10 billion at the end of 2017. AMANGO has only 7 days to make a decision on this offer.

AMANGO has to decide whether disposing of the asset will benefit the company. We have decided that it would be beneficial to AMANGO if they disposed of their stakes in the Niobium and Phosphate Limited in Brazil. This decision is bolstered by the market value of the shares being US$443.5 million which is 59% of the offered price from CMOC. (Refer to Appendix 2) Disposing of the stakes in the Niobium and Phosphate Limited will make AMANGO slightly more solvent and more liquid (refer to Appendix 2). The sale of the asset will not completely reduce their net debt to US$10 Billion but it will however assist in reducing the debt.

 If AMANGO disposes of the Niobium and Phosphate subsidiaries they will lose their presence in the industry. The loss of presence in Brazil will negatively impact the company as it will make them less competitive among other mining companies. The stakeholders might feel that the company is less competitive than their competitors that the company is making a bad decision by disposing of the business. The employee morale would be lowered as the company will lose all the employees that worked in Brazil. When the company disposes of their business in Brazil this will affect their relationship with the Brazilian government.

Recommendation

The company should dispose of the Niobium mine in Brazil to CMOC. The disposal will conform to our strategic objectives to decrease our net debt to US$10 Billion. With reference to Pillar G our shareholders will be pleased with AMANGO’s effort to achieve their goal net debt. With reference to Pillar C, the Brazilian local community and government will not benefit from AMANGO’s disposal of the subsidiary. The company will also be improving on a weakness of having operations in 45 different countries (appendix 1).

Operational risk and industrial action in Australia

**Analysis:**

Mike Cutika has ordered the re-opening of our AMANGO mine in Australia, as he is frustrated due to the bad publicity we are receiving and the risk of losing investors due to this bad publicity and their uncertainty of their investment at this point in time. In addition the loss of US$250 000 per day will inflict negatively on our KPI target of reducing our net debt of 10 billion dollars.

**Scenario 1: Re-opening the mine.**

If we re-open the mine in order to appease our investors and stop our daily loss of US$250 000, we risk the safety of our workforce as well as risk the possibility of a total mine collapse. Not only would this total mine collapse deliver a fatal blow to workforce safety, but also pose a great loss on the business, more than the current US$250 000 daily, as the mine would have to be reconstructed entirely.

The AMANGO board considers risk management to be a key part of its mandate and safety is included in their risk management which coincides with pillars A, C, D, E and G. These pillars are the businesses key priorities to ensure the delivery of returns to its global base of shareholders, working with key stakeholders to create sustainable value that makes a difference.

Re-opening the mines goes against pillars A, C and D which focus on the safety and health of the workforce, socio-political problems and People respectively. Opening the mine and putting the workforce health and safety at risk would violate the socio-political pillar as local communities and government may no longer want to partner with the business if it is seen as a risk. This also has an effect on the People pillar as workers will not want to work for a company who puts their safety at risk.

Violating these pillars goes against the businesses mission to deliver returns to its shareholders and therefore even by re-opening the mine, AMANGO may still lose some of their shareholders due to this violation of the pillars and of safety. Even if the mine does re-open without a safety evaluation, workers have threatened to strike unless their safety has been assured and the groups commitment to safety has been guaranteed.

**Scenario 2: Closing the mine until it is proven safe for continuation.**

If we decide to keep the mine closed until safety concerns have been reviewed, we will lose US$250 000 daily. This negatively effects our KPI on trying to reduce our net debt of 10 billion dollars. Although we will be losing a large amount of money daily, keeping the mine closed until it is proven safe shows that AMANGO care about their employees and their safety. This will prove the groups commitment to safety and will avoid the threatening strike action of the employees. This decision will also be in correspondence with our risk management of safety as well as the 7 pillars of value (our key priorities).

Geotechnical engineers will have to be brought in to assess the design of the mine and if it is safe for further continuation of mining. If the mine is seen to be unstable it will have to be closed for longer until it has been fixed/supported/re-enforced.

This will inevitably cost the business more money than the current amount daily, but if these procedures are not put in place and the mine then collapses, the cost will be even greater to the business. If workforce gets injured/killed in the collapse, it poses an even bigger problem, as investors will pull out. Governments may disallow the further continuation of mining in their countries.

**Other problems:**

The mine has been reported to deliver consistently on production targets with the help of excessive overtime by workers. Along with this, injuries, fatalities and over 10 deaths have not been reported by the mine. These incidents may very well coincide with the excessive overtime. Workers are tired due to this overtime and therefore are not as aware and vigilant resulting in injuries, fatalities and even death.

The reason these incidences have not been reported may be as a result of AMANGO not following the good employment practices’, with regards to excessive overtime, and do not want to be found out as the consequences will be great. How we can solve this problem is by hiring more employees so that there is no need for excessive overtime. Different shift times can be implemented to ensure everyone can get sufficient rest in-between shift time. This will hopefully decrease casualties as people will be more aware due to their periods of rest. Production may also increase with more staff resulting in a greater turnover helping us with our KPI of reducing our net debt.

Recommendation:

To keep the mine closed until the safety of the mine has been assessed.

Although this choice has the downside of losing US$250 000, the pro’s heavily out way the con’s. In order to shut down the mine, the company will have to use cash and cash equivalents, instead of borrowing funds, to ensure the net debt does not increase. We will be ensuring the safety of our workforce preventing strike action from taking place (threats of the SWOT analysis appendix 1). We will abide by our 7 pillars of value, which is the key mandate of the business. We will prevent any major collapse of the mine by this safety evaluation, which may save us millions in the long run. We will show governments and shareholders alike that we have a strong commitment to safety which may encourage further investments into the business as well as permission to mine abroad. The safety assessment should be completed as quickly as possible but without compromising on quality of assessment, to minimise losses.

Strategic joint venture (JV) decision in Canada

After reaching a 10 year low, the price of coal has come-back and this increase has encouraged AMANGO to resume coal mining in Canada. However it is not without its problems. A protest group “Idle No More” is targeting mining groups, including AMANGO, that do not promote joint ventures with original native Canadians. Many competitors have set up joint ventures with local partners putting AMANGO at social and ethical difficulty over our competitors as we are been targeted by this protest group.

Recommendations

After many calculations we feel that the best design for AMANGO and the future of this joint venture is Design 1 (small and shallow). This design was chosen as it offers us more profits while minimising costs as seen in the calculations (refer to appendix 3). It will also enable AMANGO to reduce the amount of time spent in Canada thereby minimising political and ethical issues. The level of coal production we have chosen is the maximum level (10 million tonnes). We have found that this level of demand will offer us the maximum profit for every ton of coal produced (appendix 3). Once again allowing AMANGO to maximise all areas to increase profit. AMANGO needs to look at employing Canadians into managerial positions with in the Canadian coal mining industry. To build good relationships with stakeholders AMANGO need to employ and involve more Canadians into their mining venture. AMANGO also needs to show an initiative to listening the “Idle No More” group and try to put forward some of their ideas and demands that benefit AMANGO.

* Entrepreneurial qualities

AMANGO needs to be confident in their goals set and work towards them. If any problems arise they need to structure them to work to reach their main goals. They need to recognise opportunities such as gaps it the market to exploit and so that they can increase profits. AMANGO needs to take risks not financially but ethically to try building good relationships with the Canadian groups threating them to benefit not only those groups but also their own image and reputation. AMANGO need to preserver though tough times but always look to the future and never rest on their morals.

* Success factors

AMANGO needs sustainability with its customer, its JV partners and the Canadians. They need to keep all these people happy in order to ensure that sales increase and that their customer base expands. AMANGO’s profitability depends on the company reducing costs and all other expenses to ensure that maximum profit is made. AMANGO’s customer base needs to grow but also remain satisfied so that the company can create new customer and build on existing relationships with old customers. AMANGO need to have good business skills to allow the operation in Canada to be successful by improving marketing, finance, operations and product development. Historically, AMANGO have displayed good business skills (Appendix 1 –strengths) AMANGO need to invest heavily in corporate social investments with the local communities, groups (“Idle No More”) and the government of Canada to strengthen their image.

* Factors and Forms of Ownership

JV’s are complicated forms of ownership. AMANGO need to think about continuity if Cephas pull out of the joint venture as they may be forced to close down and leave Canada. AMANGO need to consider their management of the mine between both themselves and Cephas as it could lead to one company over ruling the other leading financial and legal problems.

Managing Divisional Performance Group Wide

**Issues**

The group’s main objective is to deliver returns to its global base of shareholders. The business plans on doing this by setting out their own pillars of Value in which each member has to follow. The business wants to reward the subsidiary executives but this cannot be done due to these executives’ actions.

Postponing standard service schedules for safety critical equipment could result in malfunctioning of the equipment or it could result in equipment causing injury to workers. They are taking advantage of the rights and safety of the employees in order to decrease expenses and earn a higher operating profit.

This could result in an increase in expenses for the business as they will have to pay for repairs to the equipment or even new equipment. The workers who have been injured by the equipment could place charges against the business. This breaches their pillar A which states to not harm the workforce.

The executives have been retrenching workers from still active mines, this would cause a decrease in profit for the business as there will be a deficit of workers for all the work that still needs to be done. The mines that are still viable will have less workers which will not help the business by reducing the expenses but would rather decrease the profit.

Not recording the financial transactions into the online accounting system could result in errors in bookkeeping. This would happen from human error. Although it might reduce the work that has to be done it would also create room for error. By not recording financial material they are committing fraud. They are doing this to increase their bonuses as it is linked to operating profit. This means that they are exploiting the company’s employees and thus the company’s interests in order to bolster their own business.

Recommendations

All the actions done by the executives regarding the business needs to be investigated and checked to see if unethical or damaging to the business. Non-executive directors could be introduced into the subsidiaries as a form of internal control to ensure the subsidiaries is operating efficiently and correctly.

Warn or hold disciplinary hearings for the executives that are found to be committing any act of fraud, a possible punishment can be suspension. The board should reconsider how the bonuses are earned, they should find an alternative to linking them to the operating profit. The recommendations are an attempt to improve on this weakness of controlling many subsidiaries (appendix 1).

Balance sheet de-leverage

The consequences of selling to the BEEP Company are the current employees will lose their property leases. Employees who do not own the properties might lose the option to buy back the apartment after 15 years at a 90% discount. AMANGO now have very little control of the properties which results in uncertainty to lease holders. The bonds could be a little expensive for lease holders. Some of the miners might have leases rejected by the BEEP Company resulting in employees needing to find their own accommodation which can be difficult and might need intervention from AMANGO.

With regard to the calculations (appendix 4), the solvency ratio will decrease by 0, 2. This may be regarded as a small decrease to the business, however, the sale of this property will be used to pay down the debt in line with its strategy to de-lever the balance sheet and the 3 year viability statement to target the net debt of 10 million dollars by end of 2017.

 The company should not dispose of the mines as the PIC with other investors will start off-loading shares onto the market. In line with the strategy reduce the net debt to 10 billion dollars, if the PIC and investors sell their shares in the company, a share buy-back will be initiated.

This is not good as the company share buyback is being initiated because other investors and the PIC selling their shares, and in an attempt to not lose the value of the shares on the market the company will have to buy back the shares. The company will have to buy the shares back at a higher price then what they were sold for. The PIC and investors could take their return on shares and invest it into another competitor.

This move might be seen as a short term decision by the company to buy back the shares so they don’t drop in value. The shares might have to be purchased with retained income or on credit/borrowed money, this is a problem as it will then increase the business debt if the shares are bought back with borrowed money, which does not help to reduce the net debt.

Not disposing of the mines fit in with pillar C: Socio-Political of missions, values and business model of the company, as the PIC is the largest investor in the company and is a wing of the government of South Africa. If the mines are sold, the employees would shrink from 160 000 to 60 000 and since 60% or 96 000 of the employees are South African, a potential 60 000 South Africans could lose their jobs. This could harm relations with AMANGO and the South African government with so many employees losing their jobs.

Coal Limited and Iron Ore and manganese Limited contribute towards 36% of total revenue and 50.7% of the operating profit (refer to appendix). Disposing of these subsidiaries greatly decrease the revenue and operating profit for the business.

If the company disinvests the residential accommodation to the BEE companies, AMANGO can try to negotiate with the PIC to not offload shares onto the market. Leasing residential accommodation creates extra expenses to manage and maintain the property. Disposing of the properties will reduce expenses and can help to pay of the net debt.

Recommendation:

The company should unbundle a section of its property portfolio and sell it to the BEE Company. The proceeds from the sale of the properties will be used to reduce the net debt to 10 billion dollars. Iron and coal make up almost a half of the operating profit. Selling the mines will damage relations with the PIC and the South African government.

Corporate reconstruction and re-organisation

The business is seeking to dispose of subsidiaries in order to decrease the KPI net debt to 10billion dollars. The company has 7 subsidiaries, namely platinum limited, Diamonds Limited, Copper limited, Nickel limited, Niobium and Phosphates Limited, Iron Ore and manganese Limited and Coal Limited.

In the respective markets for the metal being mined, the platinum Limited and Diamond Limited subsidiaries have the most revenue shares in the market. Niobium Limited and Nickel limited have the lowest revenue shares in their respective market. (Refer to appendix 5). Nickel Limited had an operating loss, so it ended up with an operation loss margin and with the lowest return on capital employed.

Since the board recommended that the Niobium subsidiary in Brazil be sold to CMOC, the company will be disposing of one of the subsidiaries in order to pay down the net debt.

The sale of the subsidiaries assists AMANGO in fulfilling its Mission, value and business models

 Pillars F: Cost. The Nickel subsidiary is making an operating loss. This means that this subsidiary is not operating efficiently.

Pillar G: Financial. Niobium has the lowest Operating Profit Margin of all the subsidiaries, with an operating loss margin of 1.12%. The subsidiary is not delivering a sustainable return to the shareholders. Niobium and Nickel both have the lowest revenue and operating profit of all the subsidiaries as well as Capital employed.

Disposing of the Nickel and Niobium has little effect of our position in the market of the metal being mined. Nickel Limited only has 4% revenue share within its market, which is very low. Nickel Limited is not very competitive within its market. Niobium has 2% of revenue share within its market, making it the least competitive subsidiary of the company within its market.

Disposing of the 2 subsidiaries will allow for better control of the company. With 7 subsidiaries, it can be difficult for AMANGO to deal with all the subsidiaries and their performances. This fits in with the business’s Radical portfolio restructuring strategy to dispose of non-core assets. This improves a weakness on the SWOT analysis (appendix 1)

Recommendation:

AMANGO should sell the Nickel and Niobium subsidiaries to raise proceeds to decrease the net debt. This is part of the Radical portfolio restructuring and Protect the balance sheet Strategies. Niobium and Nickel Limited have little impact in their respective market of the metal being mined and by disposing of these subsidiaries, more control can be implemented over the other subsidiaries

Ethics

**Operational risk and industrial action in Australia**

If the mine re-opens without assuring its stability, we put the lives of our workforce at risk. This may lead to countries not allowing us to mine in their country again. Workers have also been getting injured and some even killed due to excessive overtime. The business needs to re-look at Australia’s employment laws’ and ensure they abide to this, so that no more workers become injured or killed.

**Strategic joint venture decision in Canada**

AMANGO need to deal with the “Idle No More” group as they are causing most of their ethical issues in Canada. They also need to address the fact that most of their competitors have set up joint ventures with Canadian companies thereby not been affected by the “Idle No More” group.

**Managing Divisional Performance Group Wide**

If the safety critical equipment is not receiving standard service checks this could cause multiple injuries among workers and this could also increase the expenses of the business as the equipment will have to be sent for repairs. If the workers are retrenched from economically viable mines, the business is losing out on possible income due to loss of work that could be done. If the business does not record financial transactions into the online accounting system, the online system will not match the books of the company.

**Balance sheet de-leverage**

If AMANGO sell the iron and coal mines in South Africa almost 100 000 employees will lose their jobs. This is a huge decrease in employment. Many of the miners and workforce are breadwinners of their families, and shrinking the workforce would have negative fallout effects on AMANGO. If AMANGO sell of part of its property portfolio, the current lease holders might lose out on the option to buy the property after 15 years at 90% discount.

Appendices

**Appendix 1: Swot analysis of AMANGO**

Strengths:

* The company have a variety of resources available
* Large number of subsidiaries to borrow from for expansion
* Large company which means there is a large variety of skilled specialised people to bring in their ideas and opinions
* The company has survived for a long time, thus, it clearly has good business sense

Weaknesses:

* Control of all the various subsidiaries in the 45 different countries
* The mining market is extremely competitive with companies all competing for same product.
* The company cannot be in full control during joint ventures. They run the risk of losses as they cannot control the outcome of the entity.
* The company is no longer one of the top mining companies. The shares could be sold and invested into one of the competitors businesses

Opportunities:

* In the mining industry, there are numerous commodities to mine and obtain.
* Depending on demand of certain commodities, a high income can be made when the demand is highly exceeds supply.

Threats:

* The life cycle of a mine, as there it is non-renewable
* Social and environmental impact of mines.

All figures are in US$ millions.

|  |
| --- |
| Table showing the conversion from Brazilian Reals to US Dollars |
|  | BRL (million) | USD (million) |
| Sector Price to Earnings (P/E) Ratio | 13 |  |
| Non-Current assets | 1915 | 593.65 |
| Earnings (Profits after tax) | 110 | 34.1 |
| Net Current Assets | 775 | 240.25 |
| Long-term Debt | 270 | 83.7 |
| Total Long-term debt + equity  | 2690 | 833.9 |
| Operating Profit (EBIT) | 157 | 48.67 |

**Appendix 2: Calculations Supporting the Strategic Disposal in Brazil**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Design 1 | Design 2 | Design 3 |
| Minimum Demand(5 million tonnes)  | 75 000 00050.24 – 26.38=3 143 337 tonnes | 87 500 00050.24 – 26.38=3 667 226 tonnes | 100 000 00050.24 – 26.38=4 191 115 tonnes |
| Median Demand(7.5 million tonnes) | 75 000 00050.24 – 35.61=5 126 453 tonnes | 87 500 00050.24 – 35.61=5 980 862 tonnes | 100 000 00050.24 – 35.61=6 835 270 tonnes |
| Maximum Demand (10 million tonnes) | 75 000 00050.24 – 37.57=7 028 054 tonnes | 87 500 00050.24 – 39.57=8 200 562 tonnes | 100 000 00050.24 – 37.57=9 372 072 tonnes |

|  |  |
| --- | --- |
| Non-current assets: 37622.35Current assets: 13770Total assets: 51392.35Non-currents liabilities: 24731.3Currents liabilities: 5839Total liabilities: 30570.3 | Solvency (without the sale of the asset):51392.35 : 30570.3 = 1.7 : 1Solvency (with the sale of the asset):52169.35 : 30587.3 = 1.7 : 1 Liquidity (without the sale of the asset):13770 : 5839 = 2.4 : 1 |

|  |
| --- |
| Total Market Value of shares: US$443.3 Million Offered Price: US$750 Million |

**Appendix 3: Calculations to analyse options for Canadian JV with Cephas**

**Appendix 4: Calculations regarding the Balance Sheet De-leverage**

|  |  |  |
| --- | --- | --- |
| 16780 + 1250 =18030 x 50% =9 015 (residential apartments) x 71%=6400 (property for sale) | 29621- 6400=23220 (property, plant and equip if property is sold)38216 – 6400= 31816 ( total non-current asstes if property is sold) | Solvecy ratioRefer to appendix 2Solvecy ratio with selling propery45613 : 30671= 1.5 : 1 |

|  |  |
| --- | --- |
| 3390 + 4888 (Iron and Manganese Limited and Coal Limited Revenue for 2016)= 8278 x100 23003= 36% | 671 + 457(Iron and Manganese Limited and Coal Limited Operating Profit for 2016)= 1 128 x 100  2223 = 50.7% |

**Appendix 5: Calculations regarding the Corporate Reconstruction and Re-organisation**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Revenue share  | Operating Profit Margin | Return on Capital Employed |
| Platinum Limited  |  4900 x 10012564= 39% | 263 x 1004900=5,4 | 263 x 1004392=6% |
| Diamond Limited | 4671 x 10013738= 34% | 571 x 1004671=12.2% | 571 x 1008642=6.6% |
| Copper Limited  |  3539 x 10039322=9% | 228 x 1003539=6.4 | 228 x 1006332=3.6% |
| Nickel Limited | 146 x 1003650=4% | (22) x 100146= (15.1%) | (22) x 1001968= (1.1%) |
| Niobium and Phosphate Limited | 544 x 10027200=2% | 119 x 100544=21.9% | 119 x 100834=14.3% |
| Iron Ore and Manganese Limited | 3390 x 10037667=9% | 671 x 1003390=19.8 | 671 x 1006666=10.1% |
| Coal Limited | 4888 x 10097760=5% | 457 x 1004888=9.3% | 457 x 1004079=11.2% |